

The Redevelopment Agency of Murray City met on Tuesday, July 21, 2020 at 3:30 p.m. for a meeting held electronically in accordance with Executive Order 2020-5 Suspending the Enforcement of Provisions of Utah Code 52-4-202 and 52-4-207 due to Infectious Disease COVID 19 Novel Coronavirus issued by Governor Herbert on March 18, 2020 and Murray City Council Resolution #R20-13 adopted on March 17, 2020. The Chair of the Redevelopment Agency of Murray City has determined that due to the continued rise of COVID-19 case counts, meeting with an anchor location presents a substantial risk to the health and safety of those in attendance. No physical meeting location will be available.

The public may view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/MurrayCityUtah/>.

If you would like to submit comments for an agenda item you may do so by sending an email, including your name and contact information, in advance of, or during the meeting to rda@murray.utah.gov. Comments are limited to 3 minutes or less and will be read into the meeting record.

RDA Board Members

Brett Hales, Chair
Dale Cox, Vice Chair
Kat Martinez
Rosalba Dominguez
Diane Turner

Others in Attendance

Blair Camp, RDA Executive Director
Melinda Greenwood, RDA Deputy Executive Director
Janet Lopez, City Council Executive Director
Jennifer Kennedy, City Recorder
Jennifer Heaps, Chief Communications Officer
G.L. Critchfield, City Attorney
Kim Sorensen, Parks and Recreation Director
Jay Baughman, Economic Development Specialist
Citizens

Mr. Hales called the meeting to order at 3:30 p.m.

1. Approval of the June 16, 2020 RDA meeting minutes

MOTION: Ms. Turner moved to approve the minutes from the June 16, 2020 RDA meeting.
The motion was SECONDED by Ms. Dominguez.

RDA roll call vote:

Ms. Martinez Aye
Mr. Cox Aye
Ms. Dominguez Aye
Ms. Turner Aye
Mr. Hales Aye

Motion Passed 5-0

2. Citizen Comments

No citizen comments were given.

3. Discussion and Consideration of a Resolution of the Redevelopment Agency of Murray City Approving and Authorizing a Participation Agreement with TMB Limited Company, DBA BCW Capital for Tax Increment Reimbursement for the Development and Operation of a Professional Office Development and Entrepreneurial Center in the Ore Sampling Mill Community Reinvestment Area for the Property Located at 5510 South 300 West (Presenter: Melinda Greenwood)

See Attachment 1 for slides used during this presentation.

Ms. Greenwood said this project has been four years in the making. The applicant would like to change the LLC that the agreement will be with. He wants to create a new entity, Jessie Knight Legacy Center, LLC.

One of the ways to make this project feasible was to subdivide the property and leave the north part of the property out of the project. Doing that reduces remediation costs. The applicant intends to finish cleaning up the site and then construct a 40,000 to 50,000 square foot building for office space. That is a little bit smaller than what was intended back in 2017, but the building has to be a smaller square footage because without the north end of the parcel, there is not enough parking to accommodate a larger building.

There will be some changes with the conditional use permit coming forward that will go through the Planning Commission rather than the RDA Board which is the normal process of a conditional use permit. When the conditional use permit gets amended or approved, it will automatically become an amendment to this agreement. There is a cap on the reimbursement of \$2,500,000. The applicant would like the reimbursement to be retroactive to include the money they have already spent. They have done a lot of cleanup on the site and have spent approximately \$1,000,000 on cleanup already. They believe it will cost an additional \$1,500,000 in remediation costs. They are asking for administrative costs of 8% although the agreement the RDA Board received shows administrative costs at 4%. The insurance cost on a project with radioactive material is a lot higher, which is why they have asked that the administrative cost to be 8%. Ms. Greenwood said contractors typically markup administrative costs on agreements between 5% and 8%.

All requests for reimbursement need to come to the City with reasonable documentation. The agreement includes a remediation process in case there is a dispute between the City and Ore Sampling Mill about what reasonable is, what the documentation contains or what a valid expense is.

Ms. Turner said she is concerned with doubling the administrative cost from 4% to 8%. She would be okay with 5% or 6% but she feels 8% is too high.

Mr. Cox said this seems like regressive bargaining. Last month, the agreement was for \$2,500,000 additional to help with cleanup. Now it seems like they are going to take \$1,000,000 of that \$2,500,000, repay the developer for site prep, and leave \$1,500,000 to continue on with site prep and environmental cleanup. Unless he missed something, he doesn't feel like this was the direction they were heading in last month.

Ms. Greenwood replied her understanding has always been that the total expenses, including what the developer had already spent, would be \$2,500,000. The developer has spent about \$1,000,000 and they feel like they will spend another \$1,500,000 to cleanup the site. She apologized for any miscommunication.

Mr. Hales said he is concerned about paying the developer up front.

Ms. Greenwood said in the end, it is \$2,500,000. No reimbursement would be paid until the increment is actually generated. The difference is the developer is asking for reimbursement for funding they have already spent. After the developer received their conditional use permit, they went ahead and started cleaning up the site with the understanding that a development agreement would be coming.

Mr. Cox asked the RDA Board if they understood that they were giving back \$1,000,000 and going forward with \$1,500,000.

Mr. Hales said he did not understand it. He asked Ms. Greenwood to help him understand the benefit of paying the developer \$1,000,000 for costs they have already incurred and paying them \$1,500,000 later. He doesn't want the City to pay money upfront when that wasn't the original agreement.

Ms. Greenwood said the City would not reimburse any money until after a project is on the books, collecting property tax and has a certificate of occupancy. Even if the developer went forward and cleaned the site but never constructed a building, they wouldn't get any reimbursement. It's the building getting on the property tax rolls that triggers the reimbursement.

Ms. Dominguez said in terms of site cleanup, Ken Merrill's company has determined this site to be clean. However, last week, the plan was to have an environmental firm come in to determine how much more cleanup was needed. This feels fast to her and it seems like there are missing components.

Mayor Camp said the fact is that the city is offering up to a maximum of \$2,500,000 in Tax Increment Financing (TIF) reimbursement and none of that is going out now. The only thing being clarified is that money the developer has previously spent on cleanup becomes eligible towards that \$2,500,000. If the cleanup amount goes to \$3,000,000 or \$3,500,000, that doesn't change the cap on the agreement. This is not an additional \$1,000,000. It's included in the \$2,500,000 and the money is not going to the developer upfront, it is reimbursement

for the TIF.

Ms. Turner asked Mayor Camp if the developer can say the TIF reimbursement needs to be increased.

Mayor Camp responded under this agreement the answer would be no because the City is only agreeing to pay up to \$2,500,000 and this is only if the project generates that amount in TIF.

Bart Warner reiterated that this project has been going on for four years and they have tried to be as upfront as they can with everything. When they started this project there was junk and trash everywhere. The area was contaminated. The City worked with Terracon and there has been a lot of environmental cleanup on the property already. It was estimated that it would cost \$2,000,000 to clean the site up. The City was going to give them a lease agreement on the service access road which would allow them to put another building on the site, but then there was radium was discovered on the site. Mr. Warner is hoping that the radium that is left on the property can be cleaned up for \$500,000 to \$700,000. He explained it will be easy for them to show how much money they have already spent on this property. He hopes the RDA Board will look back at the history of the site to see how much work has been done.

Mr. Warner explained that Mr. Merrill has engaged another company with employees that used to work with the Department of Environmental Quality (DEQ) to ensure no steps are missed during the site cleanup. This has been a difficult project and a lot has been done to get it to this point. He said the only reason he is asking for \$2,500,000 instead of \$2,000,000 is because he knows it will cost at least \$500,000 to get rid of the radium.

Ms. Martinez said as long as the \$2,500,000 is spent on cleaning up the property, and is no more than that amount, she isn't concerned on whether the reimbursement is for costs incurred before the agreement or after. She felt that doubling the administrative cost from 4% to 8% was excessive. She would like to see that cost stay around 5% or 6%. She asked what that percentage means as far as dollars.

Ms. Greenwood said each percent is \$25,000. At 4%, the administrative costs would be \$100,000.

Ms. Greenwood said there is a distinction between the environmental cleanup versus the site cleanup. The reason cleaning up sites like this is expensive is because the state requires employees who do it to get intensive hazardous training. Environmental remediation is separate from taking away regular garbage. The \$2,500,000 is for a combination of regular and environmental cleanup.

Mr. Merrill said there has been a lot of environmental cleanup done at this site. The basement of the building had 35 feet of water in it and they didn't know what was in the water. They had to make sure there was no contamination in that water as they got rid of it.

David Bard said the agreement they have been trying to secure with the City has always been for a long-term rebate of TIF, not an immediate reimbursement. An appropriate use of TIF is to remove the development impediments that encumber a site. This site has seven out of seven blight characteristics and the things they are asking reimbursement for directly address those seven items.

Ms. Dominguez asked how the \$2,500,000 was determined to be the cost to cleanup this site

Ms. Greenwood said the amount is a combination of what they have already spent and Mr. Merrill's estimates on hauling material away.

Mr. Hales asked if there was a time limit for this project.

Mayor Camp said this project has to be completed within five years.

Ms. Greenwood said whether the administrative cost is 4% or 8%, it comes out of the \$2,500,000. If the developer only spends \$2,300,000 on this project, then they would receive the entire administrative cost if it was changed to 8%.

Ms. Dominguez asked if there was anything in the agreement that prohibits the developer from asking for more money.

Ms. Greenwood said it's always a possibility that a developer could ask the City for more money. However, just because there is a request doesn't mean the RDA Board would have to approve it.

MOTION: Ms. Dominguez moved to have a special RDA meeting to discuss the Ore Sampling Mill project on July 31, 2020. The motion was SECONDED by Mr. Cox.

RDA roll call vote:

Ms. Martinez	Aye
Mr. Cox	Aye
Ms. Dominguez	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion Passed 5-0

4. Presentation of the 2019 Smelter Site Overlay District Annual Report (Presenter: Jay Baughman)

See Attachment 2 for slides used during this presentation.

Mr. Baughman said the City manages and has reporting oversight for the Smelter Overlay District. The area encompasses the Intermountain Medical Center (IMC) complex, Costco, and the Utah Transit Authority (UTA) Park and Ride up to the police training center. There are high amounts of lead and arsenic in the area and it is important for the City to keep the site cleaned and keep the contaminants from the public. There has been a cap placed over the contaminants that needs to be maintained. The City sends an annual report to the Utah DEQ and the Environmental Protection Agency (EPA). IMC, Costco, and UTA send report of their monitoring to the City and we compile that information to the DEQ and EPA. The report was done in May 2020.

Projects that were done in this area last year include: lighting on IMC walking path, IMC parking lot access gates, IMC sanitary sewer relocation, Costco freezer upgrade, UTA underground fiber optic install, storm drain monitoring, and concrete and asphalt sealing. The City receives reports from the companies that did those projects and ensures the projects were done correctly. Those reports are contained in the report the City sends to the DEQ and EPA.

5. Project updates (*Presenter: Melinda Greenwood*)
There were no project updates.

The meeting was adjourned at 4:40 p.m.

Jennifer Kennedy, City Recorder

Attachment 1

Ore Sampling Mill Development Agreement

Key Points

- Jessie Knight Legacy Center, LLC
- Intention of subdividing property and 40-50,000 s.f. building
- Maximum of \$2,500,000 reimbursement
 - Previous clean-up and site prep (~\$1M)
 - Environmental remediation (~\$1.5M)
- Administrative costs – 8%
- Reasonable documentation for reimbursement



Attachment 2

Smelter Site Overlay District (SSOD)

Murray City Code Chapter 17.25

106 acre district bordered by

- State Street
- 5300 South
- Southern Pacific Railroad Tracks
- Little Cottonwood Creek

Superfund site

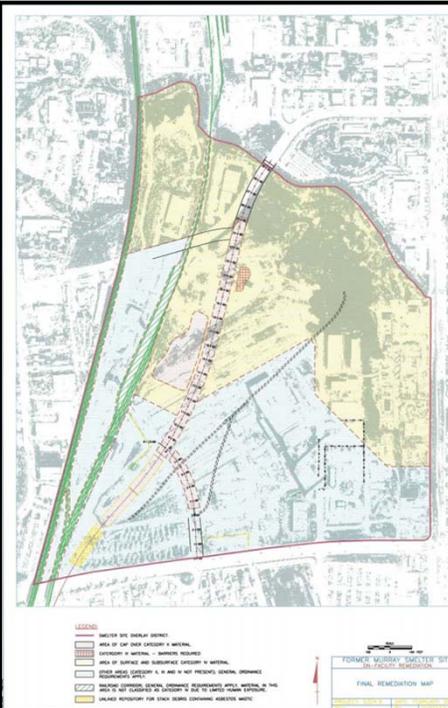
- High amounts of lead and arsenic
- Requires regular inspection and maintenance of contaminant barriers



Murray City Code Chapter 17.25.090

Annual Inspection and Enforcement Report

- CED Staff prepare an annual report to Utah Department of Environmental Quality (UDEQ) and Federal Environmental Protection Agency (EPA)
- Report on:
 - Status of the various contaminant barriers in the District
 - Intermountain Healthcare (IHC/IMC)
 - Costco
 - Utah Transit Authority (UTA)
 - Murray City
 - Work done over the last year that impacted the barriers



2019 SSOD Projects and Monitoring

- Lighting on IMC Walking Path
- IMC Parking Lot Access Gates
- IMC Sanitary Sewer Relocation
- Costco Freezer Upgrade
- UTA Underground Fiber Optic Install
- Storm Drain Monitoring
- Concrete and Asphalt Sealing

